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Supreme Court of the United States

OCTOBER TERM, 1937.

No. 208

LEITCH MANUFACTURING COMPANY, INC.,
Petitioner,

vs.

THE BARBER ASPHALT COMPANY, INC.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT.

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Supreme Court of the United States

LEITCH MANUFACTURING COMPANY, INC., Petitioner, vs. THE BARBER ~~ASPHALT~~ COMPANY, INC., Respondent.	October Term, 1937. No. .....

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Leitch Manufacturing Company, Inc., prays that a writ of certiorari issue to review the decree of the United States Circuit Court of Appeals for the Third Circuit entered on April 19, 1937, reported in 33 U. S. P. Q. 261, vacating the decree of the United States District Court for the District of New Jersey (Record, p. 116).

Jurisdiction.

The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code (28 U. S. C. 347, as amended).

The decree of the Circuit Court of Appeals sought to be reviewed herein was entered on April 19, 1937.

I. Statement of the Case.

This is a suit in equity for an injunction and accounting under Letters Patent No. 1,684,671, dated September 18, 1929, on an application for patent filed October 12, 1925.

The patent covers a process for spraying asphalt emulsion on freshly laid concrete before the concrete has set in order to prevent evaporation of water from the concrete while it is being hardened or cured.

The petitioner is not charged with practicing this process. In fact, neither petitioner nor respondent practice the patented process.

Instead, both petitioner and respondent sell the unpatented common asphalt emulsion to road contractors. Road contractors have been using such emulsions for thirty or forty years for numerous other purposes—in fact, only a small percentage is used by them for this patented process (Record, pp. 51, 58, 59).

The petitioner is charged with *contributory infringement* in that it, in competition with the respondent, sold the asphalt emulsion to a road contractor who used it in carrying out the patented process.

Respondent asserts in its bill of complaint that it stands prepared to give and does give licenses to road contractors if they buy the unpatentable asphalt emulsion from respondent (Record, p. 6, clause 7).

II. The Questions Presented Are:

A. May a manufacturer of asphalt emulsion, a common unpatented material long used in road construction, who owns but does not practice a patent for a process of coating concrete roads with such emulsion, use the patent so as to require that this unpatented material shall be purchased only from the patent-owning manufacturer?

B. May such a patent owner require as a condition for granting to road contractors a license under the process patent, that the proposed licensee purchase the unpatentable asphalt emulsion from the process patent owner?

III. The Dry Ice Case and the Present Case.

The Supreme Court of the United States in *Carbice Corporation of America* v. *American Patents Development Corporation et al.*, 283 U. S. 27, 30, 31, 32, held no contributory infringement where the owner of Combination Dry Ice and Package did not sell packages but derived

> "its profit not from the invention on which the law gives it a monopoly but from the unpatented supplies with which it is used."

The Court further implied that, similarly, sale of an unpatentable element to be used in practicing a process patent would not be held as contributory infringement.

In the present suit, the District Judge in a full analysis of the law of contributory infringement expressed an uncertainty of the law of contributory infringement as set forth in the *Carbice* case, *supra*, in the following words:

> "That the matter is not free from doubt is well indicated by the varying opinions of the three very able judges who passed upon the question in the above named case (American Patents Development Corp. v. Carbice Corp. of America, 25 Fed. [2d] 730; 38 Fed. [2d] 62)" (Record, p. 105).

Concluding the analysis of the law of contributory infringement, the District Court in the present case went on to say:

> "Fortunately, perhaps, we are not constrained to an accurate forecast of the ultimate law of contributory infringement" (Record, p. 110),

because it found no infringement by the petitioner.

On appeal to the Circuit Court of Appeals of the Third Circuit, two Judges found that the *Carbice* case did *not* apply and held the present petitioner a contributory infringer ~~(p. 13 of decision attached to Record)~~. (Record p. 140)

One Judge found that the *Carbice* case *did* apply and that there was no contributory infringement* (~~Dissenting Opinion attached to Record~~). (Record p. 141)

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* Note: A discussion of contradictory decisions due to this unsettled law appears in the Appendix.

IV. Reasons for Allowance of Writ of Certiorari.

A. The application of the doctrine of contributory infringement, particularly where the patent is used to interfere with the sale of commonly used unpatented materials, is affected with public interest.

B. There is no decision establishing whether the sale of unpatentable products of common usage, such as asphalt emulsion, can be enjoined where it is sold in competition with the owner of a process patent to users of the process, particularly where the owner of the process patent offers licenses to such users on condition that they purchase the asphalt emulsion from the process patent owner.

C. There are conflicting opinions both in the courts and among the patent legal professions of the interpretation to be given to the *Dry Ice* case, *supra,* some holding that the case turned solely on the condition contained in each invoice accompanying the sale of Dry Ice; namely, that special packages be used only with the seller's Dry Ice; others holding that the fact that the plaintiff made its profit from the sale of Dry Ice, and not from the package patented, was the deciding factor*; and still others holding that the case turned on broadening the patent monopoly.

D. In the present case, one Judge expressed himself as uncertain of the interpretation of the *Carbice* case; two Judges found it clearly did not apply, and one Judge found it clearly did apply: Yet there is involved here the simple situation in which both respondent and petitioner sell asphalt emulsion in competition to road contractors who use some of this asphalt emulsion in practicing a process patent owned by the respondent.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari may be issued out of and under the seal of this Court, directed to the United States Circuit Court of Appeals

* See Appendix on these cases.

for the Third Circuit, commanding said Court to certify said cause to this Court for review and determination, as provided by law, and that your petitioner may have such other and further relief in the premises as to this Court may seem appropriate.

Respectfully submitted,

LEITCH MANUFACTURING COMPANY,
Petitioner,

By SAMUEL OSTROLENK,
Attorney for Petitioner.

Of Counsel:

S. MICHAEL PINELES.

CERTIFICATE OF COUNSEL.

I hereby certify that I have carefully examined the record, and, in the light of its contents, consider the petition for the writ of certiorari well founded and that it is not interposed for delay.

SAMUEL OSTROLENK,
Attorney for Petitioner.

Appendix on Law of Contributory Infringement.

The District Court for the Southern District of New York found contributory infringement in the sale of Certo, an unpatentable product, used in a patented process for manufacturing jellies. An attempt was made by the Court to distinguish from the *Dry Ice* case, *supra,* on the ground that in the *Dry Ice* case restrictive notices regarding the use of Dry Ice in patented containers accompanied each sale, whereas

> "in the present case, there are no restrictive notices * * *" (*General Foods Corporation* v. *Seeman Brothers, Inc.,* 60 F. [2d] 622, 625).

The District Court, Western District of Louisiana, held the sale of unpatentable mud-basis used in a patented process to be unlike the *Dry Ice* case, because

> "* * * plaintiff in that case [*Dry Ice*] did not stand upon and confine itself to the protection afforded by the patent, but attempted to widen the scope of its monopoly * * * (it charged nothing for the carton or package but sought to make its profit out of the sale of solid carbon dioxide)." (*National Pigments & Chemical Co.* v. *Shreveport Chemical Co.,* 1 F. Supp. 417, 421).

But the Court did not explain why attempting to restrict the sale of mud-basis was not widening the scope of the patent.

In *Chas. H. Lilly Co., Wilmot H. Lilly, Kaseno Products Co. and George F. Linquist* v. *I. F. Laucks, Inc.,* 68 F. (2d) 175, both plaintiff and defendant, as in the *Dry Ice* case, were selling and making their profits in the sale of an unpatentable soya bean flour used in the patented process of making glue.

In that case the Circuit Court of Appeals of the Ninth Circuit, without reference to the *Dry Ice* case, held that knowledge and intent by the defendant to induce infringement had not been established, although in the *Dry Ice* case such knowledge and intent by the defendant was apparently not regarded as material.

However, the Court, on page 188, added that there is

> "* * * an equally cogent reason why the decree may not stand; namely: soya bean meal and soya bean flour are standard articles of commerce; and being such, a sale thereof may not be enjoined."

There are equally widely divergent views in other situations, as, for example, in the *Alemite* cases.

Thus, the District Court for the Western District of Pennsylvania held contributory infringement in the sale of unpatentable coupling elements which formed parts of a patented combination, because

> "the sale of an element of a combination for the purpose of bringing about its use in such a combination constitutes the seller a contributory infringer" (*Alemite Corporation* v. *G. S. Rogers, doing business as Rex Duplex Fitting Company, R. W. Duscnberry and R. H. Kidd,* 5 F. Supp. 940, 941).

The Circuit Court of Appeals of the Second Circuit in the case of *Bassick Manufacturing Co.* v. *Adams Grease Gun Corporation,* 56 F. (2d) 36, held that the sale of an unpatentable element of a patented combination with the intent that it shall be united with other elements to make up the patentable combination constitutes contributory infringement.

In that case an attempt was made to distinguish from the *Dry Ice* case on the ground that the *Dry Ice* case held that a patent monopoly may not be expanded. But why this attempted restriction in the *Grease Gun* case was not an expansion of the monopoly is not made clear.

Similarly conflicting decisions and interpretations of the *Dry Ice* case are found in the *Razor Blade* cases.

Thus, in *Gillette Safety Razor Co.* v. *Standard Safety Razor Corporation,* 64 F. (2d) 6, 9, the Circuit Court of Appeals of the Second Circuit found the sale of razor blades, used in a patented combination of Razor and Blade, not to be a contributory infringement, because

> "the appellee cannot be permitted to extend its patent and include the blade as any element of a controlling claim."

In that case the Court, on page 8, disposed of the *Dry Ice* case with the observation that

> "we have recognized that the Carbice case does not change the rule of liability for contributory infringement."

This, notwithstanding that the *Dry Ice* case has probably stimulated more discussion among the patent profession as to its forecast of the ultimate law of contributory infringement than any other recent patent suit.

Nor is the situation aided by the first case of *Gillette Safety Razor Co. v. Standard Safety Razor Corporation*, 2 F. Supp. 64, where the same patent and parties were involved. The District Court for the District of Connecticut held the sale of razor blades to be contributory infringement of the combination patent.

Summarizing, the above citations show not only conflicting decisions on what appear to be similar facts but also divergent interpretations of the *Dry Ice* case, concluding with widely different results.